



April 19, 2013

Ex Parte

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Re: Connect America Fund, WC Docket No. 10-90; Developing a
Unified Intercarrier Compensation Regime, CC Docket No. 01-92

Dear Ms. Dortch:

This is to inform you that on Wednesday, April 17, 2013, Jonathan Banks (USTelecom), Michael Lieberman and Mary Henze (AT&T), Maggie McCready (Verizon), Malena Barzilai (Windstream), and Jeff Lanning (CenturyLink) met with Martha Stancill, Craig Bomberger, Sue McNeil, Amy Bender, Erik Salovaara, and Margaret Wiener of the FCC.

The purpose of our meeting was to discuss the broad contours of an auction mechanism contemplated by the *USF/ICC Transformation Order* for the Connect America Fund Phase II program in areas where a qualifying carrier elects not to exercise a right of first. We suggested that the goal of this auction should be to maximize the number of locations (in areas without an unsubsidized competitor) to which broadband could be provided and maintained. We discussed the importance of allowing bidders flexibility to aggregate geographic areas, for example census blocks, in order to insure scale for efficient network construction and operation. We also discussed the potential benefits of a multi-round auction and package bidding in maintaining scale efficiencies and providing for price discovery. Finally, we emphasized the importance of having the auction mechanism and procedures fully described well before any company must make an election to accept state-wide obligations and support under the CAF Phase II program.

Pursuant to Commission rules, please include this ex parte letter in the above-identified proceedings.

Sincerely,

A handwritten signature in blue ink that reads "Jonathan Banks".

Jonathan Banks
Senior Vice President, Law & Policy

c: Martha Stancill
Craig Bomberger
Sue McNeil
Amy Bender
Erik Salovaara
Margaret Wiener